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Market Administrator's

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CCC Utilization of Butter and Nonfat Dry Milk Increasing

The Dairy Situation, Economic Research Service USDA, November, 1963

Domestic distribution of CCC dairy stocks through welfare and school lunch programs and transfers to the U. S. Army are continuing at the high levels of 1961 and 1962. Through October 1963, commitments of butter and nonfat dry milk were close to last year's levels, while Cheddar cheese was down about 15 percent. During the January-June 1963 period, domestic donations provided food for about 16.9 million school children, 1.4 million people in charitable institutions, and a peak of about 7 million needy persons in family units in all 50 States, the District of Columbia, territories, and possessions.

The amount of dairy products sent abroad this year, particularly butter, is increasing sharply over last. Ten-month data for nonfat dry milk commitments are above last year's high levels because of increased export sales and further expansion in the Food-for-Peace program. The large sale for dollars of 187 million pounds to the Japanese Government in April 1963, was nearly double the amount that Japan bought under the same program last year. This powder is being used in the Japanese school lunch program. The Payment-In-Kind program also helps account for the stepped-up export program. These

exports are drawn from private stocks rather than from CCC stocks. Around 130 million pounds were exported during January-October 1963. Donations of nonfat dry milk for foreign relief through U. S. private agencies and intergovernmental agencies reached a record total of 621.7 million pounds in the 1963 fiscal year.

Butter export sales of 63 million pounds during January-October 1963 are above the total for any previous calendar year. These sales reflect the decline in butter production in major-producing countries and a decline in stocks in European trade channels. Butter and butteroil were made available for foreign donation in 1962, when CCC stocks were rising, but actual deliveries were only 30 million pounds (butter equivalent) as vegetable oils were interchangeable or in some cases preferred. Movement of vegetable oils and curtailed purchases have sharply reduced CCC stocks of these items and distribution agencies were directed to use more animal fats (including butter and butteroil) in the 1963-64 programs. This is the reason for stepped-up butter in foreign donations in 1963. There has been no cheese for foreign donation since April 1, 1963, because domestic and export sales and domestic dona-

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HIGH-PROTEIN FEED SUPPLIES FOR 1963-64 EXPECTED TO BE UP SLIGHTLY

The Feed Situation, Economic Research Service
USDA, February, 1964

The total tonnage of high-protein feeds available for livestock feeding in 1963-64 is now expected to be about 16.7 million tons, (in soybean meal equivalent) slightly above the 16.6 million tons fed in 1962-63. The 1963-64 soybean supply is about equal to a year earlier. Prospects for continued heavy soybean exports have resulted in a reduction in the prospective soybean crush to 465 million bushels, 10 million below the 1962-63 crush. The quantity of soybean meal available for feeding is now expected to be slightly smaller than last year. This is expected to be a little more than offset by increased supplies of cottonseed meal and animal protein feeds, giving a slight increase in the total tonnage of high-protein feeds.

The estimated number of high-protein feed-consuming animal units to be fed in 1963-64 also has been reduced since last fall as a result of prospective reductions in hog production and cattle feeding. The total number of animal units is now expected to be slightly below the 146.5 million in 1962-63. Based on these prospects, the feeding rate would be about 229 pounds per animal unit, 3 pounds more than in 1962-63, continuing the upward trend in feeding per animal that has been underway for a number of years.



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	
Class I (3.5%)	
Class II (3.5%)	
Class III (3.5%)	
Class IV (3.5%)	
Producer Butterfat Differential for each one-tenth percent	

Jan. 1964	Dec. 1963	Jan. 1963
\$4.28	\$4.62	\$4.00
4.55	4.65	4.22
4.12	4.214	3.797
3.76	3.785	3.651
3.08	3.082	3.051
7.5¢	7.6¢	7.2¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	
Percent of Producer Butterfat in Class I	
Percent of Producer Milk in Class II	
Percent of Producer Butterfat in Class II	
Percent of Producer Milk in Class III	
Percent of Producer Butterfat in Class III	
Percent of Producer Milk in Class IV	
Percent of Producer Butterfat in Class IV	

78.9	77.5	77.7
70.9	70.8	70.3
6.8	5.8	6.6
1.7	1.6	1.7
1.8	1.7	2.2
2.4	2.3	4.4
12.5	15.0	13.5
25.0	25.3	23.6

PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered	
Average Daily Class I Producer Milk	
Total Number of Producers	
Average Daily Receipts per Producer	
Average Butterfat Test	
Total Value of Producers Milk at Test	
Income per Producer (7 day average)	

40,235,178	38,923,732	35,845,288
102,360	972,634	898,247
1,357	1,366	1,329
956	919	870
3.93	3.96	3.97
\$1,850,427.14	\$1,822,248.68	\$1,555,681.25
\$307.91	\$301.23	\$264.32

GROSS CLASS USE (Pounds)

Class I Skim	
Class I Butterfat	
Class I Milk	
Class II Skim	
Class II Butterfat	
Class II Milk	

30,610,428	29,059,584	26,844,023
1,121,165	1,092,073	1,001,621
31,731,593	30,151,657	27,845,644
2,704,557	2,243,276	2,354,004
27,299	25,533	23,434
2,731,856	2,268,809	2,382,438

AVERAGE DAILY SALES (Quarts)

Milk	
Buttermilk	
Chocolate	
Skim	
Cream	

342,935	321,794	310,467
4,352	3,993	4,308
17,134	14,393	15,953
12,266	10,858	12,167
8,226	13,093	8,504

COMPARATIVE STATISTICS

COLUMBUS MARKETING AREA

★ JAN., 1955 - '64

Year	Receipts From Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class Prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1955.....	23,237,473	3.97	78.1	7.2	5.5	9.2	3.95	4.142	3.742	3.742	3.166	2,146	349
1956.....	24,586,227	3.94	77.8	8.1	6.4	7.7	3.94	4.125	3.725	3.725	3.142	2,085	380
1957.....	23,716,076	3.90	86.0	7.6	3.1	3.3	4.46	4.554	4.154	4.054	3.067	1,936	395
1958.....	25,086,958	3.86	84.9	7.3	2.9	4.9	4.28	4.411	4.011	3.911	3.088	1,857	436
1959.....	24,104,575	3.94	86.7	7.5	1.6	4.2	4.34	4.442	4.042	3.942	2.867	1,705	456
1960.....	28,244,823	3.96	83.2	6.3	2.1	8.4	4.46	4.685	4.285	3.777	2.996	1,696	537
1961.....	29,526,971	3.92	81.1	6.7	1.7	10.5	4.49	4.74	4.34	4.017	3.096	1,497	636
1962.....	33,597,270	3.97	79.3	6.3	1.9	12.5	4.30	4.517	4.117	3.892	3.266	1,329	815
1963.....	35,845,288	3.97	77.7	6.6	2.2	13.5	4.00	4.22	3.797	3.651	3.051	1,329	870
1964.....	40,235,178	3.93	78.9	6.8	1.8	12.5	4.28	4.55	4.12	3.76	3.08	1,357	956

CCC Sales of Feed Grains Down Sharply

The Feed Situation, Economic Research Service USDA, February, 1964

The total sales of feed grains by CCC has been much smaller, so far in 1963-64, than in the same period of the 2 preceding years. From October 1 through January 31, CCC sales of corn and sorghum grain totaled 151 million bushels compared with 402 million a year earlier and 584 million 2 years earlier.

Smaller sales this year reflect the change in the provisions of the 1963 Feed Grain Program relating to CCC sales, lower loan rates, and the larger sales of corn by farmers from the record 1963 crop. Under the Feed Grain Program, sales of feed grains against the certificate pool cannot be made at less than the loan rate plus carrying charges. In the case of corn, the announced sale prices at country points were based on the loan rate in October and increased 1

cent per bushel per month for each month since. The sale price for No. 3 yellow corn at country points would average \$1.11 per bushel in February. The January average sales price of \$1.10 per bushel was slightly above the average price received by farmers for that month.

CCC sales of corn from October 1 through January 31, based on current operating reports, totaled 97 million bushels compared with 282 million in the same period of 1962-63. Sales this year include 63 million bushels sold against the 1963 certificate pool, only about a fourth of the 237 million a year earlier. Only about 12 million bushels were sold domestically outside certificate pool sales. Export sales during the period totaled 22 million bushels, or 11 million less than a year earlier.

The reduction in sorghum grain sales has been much greater than for corn so far during 1963-64. Domestic sales of sorghum grain totaled only about 10 million bushels from October 1 to January 31 compared with 107 million in the same period a year earlier. The 44 million bushels of sorghum grain sold for export, however, was nearly 4 times the sales for export in the same period last year. Sales of barley, although comparatively small, have been much larger during July-January this year than in the same period of 1962-63. About 5 million bushels were sold to domestic markets in July-January compared with only about 1 million a year earlier. The 15 million bushels of barley sold for export during this period was about double export sales in the first 7 months of 1962-63.

Exports of Feed Grains Set Record During October-December

The Feed Situation, Economic Research Service USDA, February, 1964

Heavy exports of feed grains during October-December indicate a continued strong demand for U.S. feed grains, in 1963-1964, despite larger feed supplies in Western Europe. Feed grain exports in 1963-1964 are now expected to be slightly above the record levels of the past two years, with increased corn exports more than offsetting smaller exports of oats and barley. Corn exports are now expected to total around 450-500 million bushels, well above the previous record export of 435 million in 1961-62. Sorghum grain exports

in 1963-64 may be close to last year's level of 113 billion bushels. Barley exports are expected to be about 20 percent under the 67 million tons exported in 1962-63. Oat exports are expected to be less than half the 25 million bushels exported in 1962-63.

Exports of feed grains, including grain equivalent of products, during October-December reached a record high of 5.5 million tons, the largest on record for that quarter and 22 percent above a year earlier. Much of this increase was due to the heavy

movement of corn, which totaled about 151 million bushels, 44 million more than in the same quarter of 1962. Sorghum grain exports were a little higher than a year earlier, while exports of barley and oats were smaller. Exports of barley during the first half of the 1963-64 marketing year totaled about 29 million bushels, 11 million less than in the same period of 1962. Oat exports so far during 1963-64 have been the smallest in recent years, totaling only about 5 million bushels during July-December.

CCC UTILIZATION . . .

(Continued from Page One)

tions have utilized almost all of CCC supplies.

Little increase in domestic distribution of CCC dairy products is in prospect next year, since domestic outlets are being utilized rather fully. Nonfat dry milk will probably find additional acceptance in Food-for-Peace programs next year, particularly since the school lunch programs of the United States and Europe are now widely adopted by developing countries. Considerable butteroil movement abroad for donation is likely again in 1964. Unfavorable production conditions overseas, creating heavy U. S. export sales for butter this year may not repeat in 1964. However, the new-payment-in-kind export program for high milkfat products, effective November 1, may encourage private exporters to develop overseas markets. Eligible products include butter, butteroil, ghee, and anhydrous milkfat. Exporters who ship eligible products from private stocks receive payment in negotiable certificates from the U. S. Department of Agriculture. A similar program for nonfat dry milk was started in June 1962. The export payment rate — based on standard butter with 80 percent milkfat — for November 1-15 was 31.15 cents.

Hay Stocks Lower, Prices Higher

The Feed Situation, Economic Research Service USDA, February, 1964

Stocks of hay on farms January 1 this year totaled 82 million tons, which was 3 percent less than on that date last year. The total hay supply for 1963-64 was estimated at 139.6 million tons, practically the same as in 1962-63. Disappearance during May-December totaled 57.6 million tons, 3 million more than in that period of 1962 and slightly above the 1957-61 average. The May-December disappearance was also a little above a year earlier in relation to the number of livestock to be fed. Heavier disappearance this year apparently resulted from drought conditions over wide areas of the country that reduced feed from pastures and resulted in heavier feeding of hay. Assuming that disappearance during January-April will be a little above a

year earlier, the carryover of hay on May 1, 1964, will be somewhat below the 23.1 million tons on that date last year.

Smaller hay supplies are resulting in somewhat higher prices this winter than a year ago. In January, prices received by farmers for hay averaged \$25.00 per ton, \$.70 or 12 percent higher than a year earlier. Hay prices in January were 21 percent above the 1958-62 average for that month, while feed grain prices were 10 percent above. Higher hay prices this winter reflect smaller supplies and generally strong demand, resulting from increasing cattle numbers and severe winter weather over wide areas during December and early January.

Market Quotations

JANUARY
1964

MINNESOTA - WISCONSIN PRICE SERIES	\$3.17
MIDWEST CONDENSERIES 3.5% per Cwt.	3.141
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.082
Average Weekly Cheddars price per lb.	.3525
Average Price per lb. 92-score butter at Chicago	.5797
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant	.1430

THE

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